



CGHC010100032021



2026:CGHC:30288

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

WPC No. 2352 of 2021

- Smt. Sushma Agrawal, W/o Shri Sanjay Agrawal, Aged About 45 Years R/o Bhiwagade Colony, Sarda Nagar, Back To Motilal Petrol Pump Police Station - Tarbahar Chowk, District - Bilaspur Chhattisgarh., District : Bilaspur, Chhattisgarh

... Petitioner

versus

- State Of Chhattisgarh Through Secretary Of Urban, Administration And Development Department, Mahanadhi Bhawan, Naya Raipur District - Raipur Chhattisgarh.
- Municipal Corporation, Through Commissioner District - Bilaspur Chhattisgarh.
- Collector, District - Bilaspur, Chhattisgarh.

... Respondents

For Petitioner	: Mr. Himanshu Kumar Sharma, Advocate
For Respondent-State	: Mr. Malay Jain, Panel Lawyer
For Respondent No. 2	: Mr. Pankaj Agrawal, Advocate

Hon'ble Shri Parth Prateem Sahu, Judge

ORDER ON BOARD

16/07/2026

- Petitioner has filed this writ petition seeking following reliefs.

“10.1 That, this Hon'ble Court may kindly be pleased to issue an appropriate writ, order or direction to respondents authorities to pay difference amount of compensation/ Actual compensation of diverted land to the petitioner.

10.2 That, this Hon'ble Court may kindly be pleased to issue an appropriate writ, order or direction to respondents authorities to pay the interest on amount of compensation and loss of amount rent which the petitioner could get by letting her land for rent.

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signed by
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KUMAR JHA

10.3 That, this Hon'ble Court may kindly be pleased to grant any other relief, as it may deem fit."

2. Learned counsel for petitioner submits that petitioner was recorded owner of the land bearing khasra No. 734/1 and 734/4 measuring 37.50 sq.ft. and 2000 sq.ft. total land 2037.50 sq.ft., out of which 480 sq.ft. of land has been used by the Municipal Corporation for widening of road for public use. Before using the land owned by petitioner, respondent No. 2-Corporation has written a letter to petitioner vide Annexure P-2 dated 13.04.2006 that the Municipal Corporation would acquire the land of petitioner and in lieu of it alternate land of same value would be allotted. The land which was offered to petitioner was not of equal value and therefore petitioner refused to accept that offer and thereafter withdrawn ₹ 7,16,809.50 under protest to take course of law on the ground that the amount of compensation awarded is not properly computed. He submits that grievance of petitioner is that when the petitioner has been paid the amount of compensation in the year 2019, respondent No. 2-Corporation ought to have computed the compensation based on the rate of the land prevailing in the year 2019. He also made submission that as the land has been used for the public purpose, respondent No. 2-Corporation ought to have acquired the land following due process of law of the Land Acquisition Act, 1894, which was not done.
3. Ld. counsel for Respondent No. 2-Corporation would oppose the submission of learned counsel for petitioner and further submits that it is not in dispute that the respondent-Corporation had acquired the land of petitioner and other residents of that area for the purpose of construction of public road, petitioner was sent a letter dated 13.04.2006 mentioning that petitioner would be offered alternate land of equal value which was accepted by petitioner vide letter dated 25.04.2006. He contended that in the said letter, it is the petitioner who had given an option of the area in which she wanted the alternate land. Respondent-Corporation has verified the availability of the land and had offered two plots of 300 sq.ft. each in Transport Nagar, as per

choice of petitioner. The said land, which was offered was not accepted by petitioner saying that it is not of the equal value of the land of petitioner situated in the heart of city of Bilaspur, which was utilized by respondent-Corporation. However, thereafter monetary compensation was computed and accordingly total compensation was arrived at ₹ 7,16,809.50. The proceeding in this regard dated 03.12.2020 is also placed on record as Annexure R-2/2. He contended that once the petitioner has accepted the amount of compensation, she could not challenge the same. In alternate, he submits that if for any reason there is dispute with regard to computation of compensation, petitioner is having alternate efficacious remedy under Section 387 of the Municipal Corporation Act, 1956 (for short "Act of 1956") to resolve the dispute by the Panchayat consisting of three members. He also submits that in the scheme of settlement of dispute as provided under Section 387 of the Act of 1956, if petitioner is not satisfied with the decision of the Panchayat then it can be challenged before the District Court under Section 387 of the Act and therefore the writ petition is not maintainable in view of efficacious remedy available under the law.

4. At this stage, learned counsel for petitioner submits that it is not in dispute that petitioner has accepted monetary compensation, however, said compensation was accepted under protest and it is also forming part of record and accordingly made endorsement in the letter forwarded by the respondent-Corporation dated 03.12.2020.
5. I have heard learned counsel for the respective parties.
6. The undisputed facts are that petitioner is owner of the land bearing Khasra No. 734/1 and 734/4 and part of the land of which was used by the respondent-Municipal Corporation for widening of road. It is also not in dispute that after using the land of petitioner respondent-Corporation has written a letter to petitioner seeking his consent for acquisition of the land owned by petitioner in lieu an alternate land of equal value. It is also not

disputed that petitioner has given consent to the offer given by the respondent-Corporation for the purpose of acquisition of land to petitioner for providing other land of same value of the choice of petitioner. The said offer was accepted by petitioner. Respondent-Corporation provided two plots of 300 sq.ft. each at Transport Nagar, which the petitioner has not accepted stating that the said land is not of equal value to the land of petitioner of which respondent-Corporation has used for the purpose of construction of the road.

7. From the documents, it is appearing that respondent-Corporation has taken a decision of computing and to pay monetary compensation to petitioner thereafter and accordingly it was computed and approved in the meeting of Mayor-in-Council on 03.12.2020 computing ₹ 7,16,809.50. The amount of compensation so computed is given to petitioner through cheque, which was accepted, though under protest. The grievance of petitioner before this Court is that the monetary compensation paid is on lower side and the compensation is computed taking value of the land of the year 2006-07 and not of the year 2019-20, on the date when compensation is computed and paid to petitioner.
8. Section 387 of the Act of 1956 is under the heading "Recovery of expenses or compensation in case of disputes". Provision of Section 387 is relevant in the facts of the case and therefore it is extracted for ready reference.

Recovery of expenses or compensation in case of disputes

387. Arbitration in cases of compensation, etc.-

(1) If an agreement is not arrived at with respect to any compensation or damages which are by this Act directed to be paid, the amount and if necessary by the apportionment of the same shall be ascertained and determined by a Panchayat of three persons of whom one shall be appointed by the Corporation, one by the party, to or from whom such compensation or damages may be payable or recoverable, and one, who shall be Sarpanch, shall be selected by the members already appointed as above.

(2) If either party or both parties fail to appoint members within one month from the date of either party receiving written notice from the other of claim to such compensation or damages, or if the members fail to select a Sarpanch, such members as may be necessary to constitute the Panchayat shall be appointed, at the instance of either party, by the District Court.

(3) In the event of the Panchayat not giving a decision within one month or such other longer period as may be agreed to by both the parties from the date of the selection of the Sarpanch or of the appointment by the District Court of such members as may be necessary to constitute the Panchayat, the matter shall, on application by either party be determined by the District Court which shall, in cases, in which the compensation is claimed in respect of land, follow as far as may be the procedure provided by the Land Acquisition Act, 1894, for proceedings in matters referred for the determination of the Court:

Provided that-

(a) no application to the Collector for a reference shall be necessary, and

(b) the court shall have full power to give and apportion the costs of all proceedings in manner it thinks fit.

(4) In any case where the compensation is claimed in respect of land and the Panchayat has given a decision, either party, if dissatisfied with the decision, may within a month of the date thereof apply to the District Court and the matter shall be determined by the District Court in accordance with the provisions of sub-section (3).

(5) In any case where the compensation is claimed in respect of any land or building, the Corporation may after the award has been made by the Panchayat or the District Court, as the case may be, take possession of the land or building after paying the amount of the compensation determined by the Panchayat or the District Court to the party to whom such compensation, may be payable. If such party refuses to accept such compensation, or if there is no person competent to alienate the land or building, or if there is any dispute as to the title to the compensation or as to the appointment of it, the Corporation shall deposit the amount of the compensation in the District Court, and take possession of such property.”

9. Section 387 provides for Arbitration in cases of compensation. It provides that where any dispute raised with regard to any compensation or damages, it is to be decided by the Panchayat consisting three-members of whom one

shall be appointed by the Corporation, one by the party and the third is to be appointed with the consensus of two appointed members of the panchayat. Under Section 387, it further provides that if any of the party is not agreed with the decision of panchayat then to file proceeding before the District Court.

10. Sub-section 3 of Section 387 further provides that the matter shall, on application by either party be determined by the District Court which shall, in cases, in which the compensation is claimed in respect of land, follow as far as may be the procedure provided by the Land Acquisition Act, 1894, for proceedings in matters referred for the determination of the Court. In the provision under Section 387, it is also provided as to how the District Judge to consider the claim of aggrieved parties to consider the dispute against the amount of compensation.
11. In the aforementioned facts of the case, where the dispute is to be resolved by the evidence of the parties and further specific provision under Section 387 of the Act of 1956, I find it appropriate to dispose of this writ petition permitting the petitioner to file appropriate proceedings for settling the dispute in arbitration proceeding by the Panchayat as provided under Section 387 of the Act of 1956.
12. Accordingly, the writ petition is disposed off with aforesaid observation, direction and liberty with the petitioner.
13. In the event, petitioner submits such an application before the Municipal Corporation, the respondent-Corporation shall, within a further period of 03 weeks from the date of receipt of application, take steps to appoint the members and to conclude the proceeding under Section 387 of the Act of 1956 forthwith thereafter.

Sd/-

(Parth Prateem Sahu)

JUDGE